Mega Power Projects

486. SHRI K. RAMA MOHANA RAO: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the private power players have asked Government to do a proper evaluation of the escrow capacity of individual States to ensure that they support the payment obligations arising on account of five ultra mega power projects in the country;

(b) whether this issue of viable payment security mechanism came up during a meeting between Government and private sector chaired by the Finance Minister; and

(c) the proposed mega power projects are going to be set up in India?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) Yes, Sir. The matter related to payment security mechanism was discussed in the meeting chaired by the Finance Minister and it was suggested that the payment security mechanism of proposed Ultra Mega Power Projects could be on following lines:

(i) Revolving Letter of Credit by distribution licensees;

(ii) Escrow account establishing irrevocable claims of receivables of distribution Utility;

(iii) In a likely event of any default, direct supply to HT consumers or any other more credible distribution licensees as per the provisions of Electricity Act, 2003.

(c) Madhya Pradesh, Gujarat, Chhattisgarh, Karnataka and Maharashtra are the States in which a ultra mega project each is envisaged to be set up in the first phase.

Supply of Electricity from National Grid

487. SHRI C. RAMACHANDRAIAH: Will the Minister of POWER be pleased to state:

(a) whether the State Government of Andhra Pradesh has requested